MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2022/2023 (TERM ID 2220)

PBU0054 – FUNDAMENTALS OF BUSINESS MANAGEMENT

(All Sections/Groups)

7 JULY 2023
9.00 a.m. – 11.00 a.m.
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of **TEN** pages with 2 sections.

2. Attempt **ALL** questions in **Section A** and **B**. The distribution of the marks for each question is given.

3. Please write all your answers for Section A on the OMR form provided and all answers for Section B in the Answer Booklet provided.

SECTION A: Multiple Choice Questions (40 Marks)

Instructions: Answer **ALL** questions in this section. Shade the answers on the **OMR** sheet.

1. Which definition best describes the organising function of management process?
   A. Guiding and motivating employees to meet organisational objectives.
   B. Determining what an organisation needs to do and how best to get it done.
   C. Monitoring an organisation's performance to ensure that it is meeting its goals.
   D. Determining how best to arrange an organisation's resources into a coherent structure.

2. _____ oversees the company's overall effectiveness and performance.
   A. Top manager
   B. Middle manager
   C. First-line manager
   D. Supervisory manager

3. Which of the following **BEST** describes the purpose of goal setting?
   A. Helps firms allocate resources.
   B. Helps to define corporate culture.
   C. Helps managers assess performance.
   D. All of the above

4. Henry meets with his manager to create short-term strategies that will serve as a roadmap for departmental choices. Henry wants to make sure that these strategies align with the strategic goals of the business. Henry and his manager are constructing which of the following?
   A. Tactical plan
   B. Strategic plan
   C. Operational plan
   D. Contingency plan

5. Kentucky Fried Chicken (KFC) assigned tasks to its employees to ensure work runs smoothly and quickly. For example, the cashier takes the order, the chef prepares the food and the branch manager supervises the whole process. Which of the following helped KFC in developing its business structure?
   A. Specialisation
   B. Departmentalisation
   C. Establishment of a Decision-making hierarchy
   D. All of the above

6. What is an illustration of splitting a store into a men's, women's, and luggage department?
   A. Product departmentalisation
   B. Process departmentalisation
   C. Customer departmentalisation
   D. Functional departmentalisation

Continued...

7. _____ organisational structure is characteristic of centralised companies with multiple layers of management.
   A. Flat
   B. Tall
   C. Virtual
   D. International

8. "All accountants are in finance department and all marketers are in marketing department. Managers led each area and report to a director or executive who may oversee multiple departments". This statement **BEST** describes one of the organisational structures which is _____ structure.
   A. matrix
   B. divisional
   C. functional
   D. international

9. Operations managers draw up plans to transform resources into products. They bring together basic resources like knowledge, physical materials, information, equipment, the customer, and human skills. This statement explained about _____ as one of the resource transformation processes.
   A. input
   B. output
   C. transformation activity
   D. none of the above

10. What kind of production process is typically used when a company makes products for mass consumption?
    A. Make-to-order
    B. Make-to-stock
    C. Low contact system
    D. High contact system

11. All of the following does not describe layout planning **EXCEPT** _____.
    A. determining where production will happen based on costs
    B. planning for the layout of machinery, equipment, and supplies
    C. determining the amount of a product that a company can produce under normal conditions
    D. deciding what constitutes a high-quality product and determining how to measure these quality characteristics

12. Which scheduling tool displays the required order of project tasks and identifies the critical path?
    A. Pert chart
    B. Gantt chart
    C. Project schedule
    D. Detailed schedule

Continued...

13. Carol always works late when the boss asks her to, takes time to help newcomers learn their way around and committed towards the company's success. Carol is said to have _____.
    A. personality
    B. performance behaviour
    C. organisational citizenship
    D. counterproductive behaviour

14. When it comes to interacting with others, Kelly is generally understanding and patient. Which one of the "big five" personality traits would Kelly excel at?
    A. Openness
    B. Emotionality
    C. Extraversion
    D. Agreeableness

15. "Employees are given a voice in how they do their work and how the company is managed. They also become empowered to take greater responsibility for their own performance". This statement best describes _____.
    A. modified work schedules
    B. using goals to motivate behaviour
    C. reinforcement or behaviour modification
    D. participative management & empowerment

16. Which of the following is referring to person-job fit?
    A. Person-job fit can result in more negative attitudes.
    B. Good person-job fit can result in poor performance.
    C. Employee's contributions match the inducements the organisation offers.
    D. All of the above

17. Intel Technology Sdn. Bhd. advertised a job opening on JobStreet, an online job search engine. Those interested in applying for the position of IT Support Operation Supervisor must have at least a bachelor's degree, three years of experience, and specialise in services and helpdesk support. Which of the following **BEST** describes this statement?
    A. Inducement
    B. Job description
    C. Job specification
    D. Developing workforce

18. Gordon Ramsay's Restaurant train new chefs in a work-shift kitchen. Once the new chefs were trained, they will be stationed in an actual kitchen to work. This shows that Gordon Ramsay's Restaurant provides _____ for their new chefs.
    A. remote training
    B. vestibule training
    C. compensation & benefit
    D. none of the above

Continued...

19. Compensation is a total package of rewards a company offers to employees. Which of the following explains the factor affecting compensation?
    A. Employee's job
    B. Competitors' wage offerings
    C. Environment surrounding the job
    D. All of the above

20. What happens when both parties agree to submit to the judgment of a neutral party for them to resolve labour disputes?
    A. Boycott
    B. Mediation
    C. Arbitration
    D. Strikebreaker

21. _____ is the process of creating, communicating, and delivering value to customers while managing customer relationships in ways that benefit the organisation and its stakeholders.
    A. Marketing
    B. Controlling
    C. Financial planning
    D. Operations management

22. A few years ago, organic goods were only sold in specialised food stores, but due to the rising demand for healthy food, the market has expanded. This statement refers to which marketing environment?
    A. Economic environment
    B. Sociocultural environment
    C. Technological environment
    D. Political and legal environment

23. Which of the following best highlights a feature or image that distinguishes one product from those of its rivals?
    A. Marketing strategy
    B. Product positioning
    C. Market segmentation
    D. Product differentiation

24. Pizza Hut allows its customers to customise their own pizza by choosing their preferred size of pizza, sauce and toppings. This shows that Pizza Hut provides _____ utility to its customers.
    A. time
    B. form
    C. place
    D. possession

Continued...

25. _____ is a type of consumer good that is more expensive, purchase less often and is subject to more comparison before being purchased.
A. Specialty good
B. Shopping good
C. Production item
D. Convenience good

26. In order to create its new product, Silver Sdn Bhd carried out a business analysis. Once business analysis has been completed, the company's next move will be very expensive and include the usage of three-dimensional computer equipment and models. This shows that the development of Silver Sdn Bhd's new product is at ____ stage.
A. screening
B. commercialisation
C. prototype development
D. product testing and test marketing

27. All of the following describes pricing existing product **EXCEPT** _____.
A. Canary Sdn Bhd sets its pricing near the market price
B. Greenery Sdn Bhd set an initial high price on its new product
C. Budget car rental company promotes itself as low-priced alternatives to Avis car rental company
D. Rolex watches promotes prestige and quality images with its prices above prevailing market prices

28. Which of the following refers to personal selling?
A. Promotional tool in which a salesperson communicates one-on-one with potential customers.
B. Company-influenced information directed at building goodwill with the public or dealing with unfavourable events.
C. Short-term promotional activity designed to encourage consumer buying, industrial sales, or cooperation from distributors.
D. Promotional tool in which information about a company, product, or event is transmitted by the general mass media to attract public attention.

29. _____ use accounting information to plan for and receive compensation benefits such as healthcare, vacation time and retirement pay.
A. Business managers
B. Employees and unions
C. Investors and creditors
D. Government regulatory agencies

30. Which of the following describes the services offered by certified public accountants?
A. Auditing
B. Tax service
C. Management Advisory Services
D. All of the above.

Continued...

31. _____ is a financial statement that lists the assets, liabilities, and stockholders' equity of a company.
A. Budget
B. Statement of Cash Flow
C. Profit & Loss Statement
D. Statement of Financial Position

32. **Table 1** shows the accounting details of Millenium Sdn Bhd.

	RM
Owners' equity	250,854
Accounts payable	4,350
Loan	185,680

Table 1

Based on **Table 1**, the debt to owner's equity ratio of Millenium Sdn Bhd is _____.
A. 0.72
B. 0.74
C. 0.76
D. 1.32

33. Prudential, Alliance and Great Eastern Malaysia are examples of _____.
A. trust services
B. finance company
C. insurance company
D. mutual saving banks

34. What would a Malaysian company use to ensure a certain payment at a later time if it wanted to purchase goods from a designated company abroad?
A. Credit card
B. Letter of credit
C. Banker's acceptance
D. None of the above

35. _____ refers to tax-deferred pension fund that wage earners set up to supplement retirement funds.
A. Trust services
B. Individual retirement account
C. Private retirement scheme (PRS)
D. Malaysia Deposit Insurance Corporation (MDIC)

36. ____ promotes the stability of exchange rate and encourage development of a system for international payments.
A. World bank
B. International Monetary Fund
C. Federal Open Market Committee
D. Automated Clearing House Network

Continued...

37. All of the following does not describe time value of money **EXCEPT** _____.
    A. principle that invested money grows, over time, by earning interest or some other form of return
    B. compounding of interest over time, whereby with each additional time period, interest returns accumulate
    C. value of a common stock expressed as the firm's owners' equity divided by the number of common shares
    D. you can find the number of years needed to double your money by dividing the annual interest rate (in percent) into 72

38. The statistical indicator designed to measure the performance of a large group of stocks or track the price changes of a stock market is known as _____.
    A. market index
    B. bull & bear market
    C. risk return relationship
    D. current/interest dividend yield

39. Assume that a company's current dividend payment is RM150,000 and capital gain is worth of RM52,450. What is the return on investment if the original investment is RM280,850?
    A. 35.0%
    B. 53.4%
    C. 72.1%
    D. 138.7%

40. Which of the following refers to one of the advantages of equity financing?
    A. No interest paid on debt.
    B. Shareholders will obtain smaller dividends.
    C. Speed of availability due to limited parties involved.
    D. Paying dividends to shareholders is more expensive than paying interest on corporate bonds.

SECTION B: Structured Questions (60 Marks)

Instructions: Answer **ALL** questions in this section. Write your answers in the Answer Booklet.

QUESTION 1

Part A

How to effectively structure an organisation is a crucial choice that business owners and managers must make.

a) What is organisational structure?

(1 mark)

Continued...

b) Many factors play a part in determining an organisation's optimal structure. State the **FIVE** determinants of organisational structure.

(2.5 marks)

c) A manager with strong delegation abilities may choose which tasks to assign and who to provide those duties to in order to successfully accomplish organisational goals. Briefly explain the **THREE** activities in the delegation process.

(6 marks)

Part B

Operations management is one of the most important aspects of operating every firm, regardless of the size of the industry or organisation.

a) Define operations.

(0.5 mark)

b) Operation scheduling determines the times that particular actions will take place. State **FOUR** types of operation scheduling that a company can implement.

(2 marks)

c) Operations control includes materials management and quality control. What is operations control?

(0.5 mark)

d) Materials management is the process by which managers plan, organise, and control the flow of materials from sources of supply through distribution of finished goods. What are the **FIVE** major areas of materials management?

(2.5 mark)

(Total: 15 marks)

QUESTION 2

Part A

a) Employee behaviour is the pattern of actions by the members of an organisation that directly or indirectly influences the organisation's effectiveness. Briefly explain **THREE** forms of employee behaviour.

(6 marks)

b) Recently, the idea of emotional intelligence has been discovered, and it offers interesting insights into personality. What are the **FIVE** dimensions of emotional intelligence?

(2.5 marks)

c) Psychological Contract refers to a set of expectations held by an employee concerning contribution and inducements. State **TWO** examples of contribution.

(1 mark)

Continued...

Part B

a) Incentive programmes are unique pay schemes created to encourage exceptional performance. List **THREE** company-wide incentives.

(1.5 marks)

b) The employment agreement itself can address a variety of issues. What are the issues that typically most important to union negotiators? (Provide **FOUR** main issues that generally brought into collective bargaining by union-represented workers.)

(2 marks)

c) Briefly explain **TWO** union tactics when bargaining fails.

(2 marks)

(Total: 15 marks)

QUESTION 3

Part A

a) Customers typically try to purchase goods that provide the most value in terms of satisfying their wants and needs. How can a company deliver value to its customers? (Provide **FOUR** examples)

(2 marks)

b) Market segmentation is a process of dividing a market into categories of customer types or segments. Discuss **THREE** basis that can be used by firms to segment the market.

(6 marks)

Part B

Marketing mix is a combination of product, pricing, promotion and place strategies used to market products.

a) What is product mix? State **TWO** examples of product mix.

(1.5 marks)

b) Product life cycle is series of stages in a product's commercial life. What are the **FOUR** phases of product life cycle? Discuss.

(4 marks)

c) Distribution channel refers to the network of interdependent companies through which a product passes from producer to end user. Suggest **THREE** ways products can be distributed.

(1.5 marks)

(Total: 15 marks)

Continued...

QUESTION 4

Part A

a) A business involved in handling financial and monetary transactions is known as a financial institution. State **FOUR** types of financial institution.

(2 marks)

b) Commercial banks play important role in money creation. Government regulates them to ensure there is sound and competitive financial system. The Federal Deposit Insurance Corporation (FDIC) is involved in this exercise. Discuss the **FOUR** important roles of the Federal Deposit Insurance Corporation (FDIC).

(4 marks)

Part B

a) Securities market is a market in which stocks and bonds are sold. Define primary securities market.

(0.5 mark)

b) State and explain the statutory body that is involved in the securities market.

(2 marks)

c) A stock exchange is an organisation of individuals coordinated to provide an institutional auction setting in which stocks can be bought and sold. Explain in detail bull and bear market.

(4 marks)

d) Businesses might fulfil their capital requirements by sources such as debt financing.

i. Define debt financing.

(0.5 mark)

ii. What are the **TWO** advantages of debt financing?

(2 marks)

(Total: 15 marks)

End of paper